FINANCE.

7. The revenue and receipts of the State fell from Rs. 1,54,74,665 to Rs. 1,49,14,987, while the expenditure rose from Rs. 1,57,12,790 to Rs. 1,75,66,540. The transactions of the year thus resulted in a total deficit of Rs. 26,51,553, reducing the balance at the disposal of the Government from Rs. 75,53,600 at the beginning of 1090 to Rs. 49,02,047 at its close. The assets of the Government amounted to Rs. 96,75,492 and the liabilities to Rs. 47,73,415. It may be noted in passing that these assets do not include the outlay either on the Kodayar Project Works, amounting to Rs. 79,67,035, or on the Extension of the Railway from Quilon to Trivandrum, amounting to Rs. 18,75,085, incurred by the Government up to the close of 1090. Similarly, the liabilities shown above are exclusive of the Capital Liability of the Government, amounting to Bh. Rs. 1,17,84,950 on account of the Quilon–Shencottah Railway, for the discharge of which a sinking fund has been created. This fund has now reached the figure of Rs. 6,31,769.

8. **Revenue.**—The fall in the revenue was Rs. 5,59,678. As apprehended by me in my Address last year, the decline was mainly under the two heads of "Customs" and "Stamps," which together accounted for Rs. 3,34,103. It is inevitable that the economic effects of this war should be felt more by maritime than by inland States. Many of the foreign markets for the produce of Travancore have been shut out, and even in respect of those remaining open, the difficulty of finding transport is almost insurmountable. Thus the export produce of the State which largely consists of the products of the cocoanut tree remains either locked up in the godowns of merchants or has become unsaleable. The consequent decline in trade has had a depressing effect on the money-market.

9. **Expenditure.**—Even if, for purposes of comparison, the Capital Expenditure on the Extension of the Railway from Quilon to Trivandrum be left out of account, it will be seen that the expenditure of the State rose from Rs. 1,51,82,725 in 1089 to Rs. 1,62,21,520 in 1090, *i. e.*, by Rs. 10,38,795. "Education" and "Forests" account for an increase of nearly four lakhs of rupees, notwithstanding every attempt to economise, with due regard to efficiency. The amount payable by the Government to the South Indian Railway Company to make up the guaranteed interest to the debenture-holders of the Quilon–Shencottah Section of the Tinnevelly–Quilon Railway accounts for an increase of about two lakhs. It may be stated here that the expenditure in 1089 under this head represents the amount due for only nine months in that year, while that in 1090 represents the amount due for 18 months ending with the 31st March 1915. Contributions to the war funds and the expenses in connection with the reception of distinguished guests and His Highness the Maha Raja's tour to Coonoor account for about three lakhs. It is a significant fact that, while, in recent years, the expenditure of the State has been steadily increasing, the receipts of the Government have not been proportionately elastic. Against an increase of 36 per cent in expenditure during the last quinquennium, there has only been an increase of 23·2 per cent in revenue. This grave disturbance in the financial equilibrium is not solely attributable to the war. The time has now arrived for the receipts and expenditure of the State being judiciously balanced. It would be dangerous to depart from the principle of equalising the year's income and expenditure, and the safest and most effective means of achieving this end is engaging the serious attention of the Government. The Government rely on the hearty co-operation of all heads of departments in reducing expenditure without impairing efficiency.

MAIN HEADS OF REVENUE.

10. **Land.**—The net land revenue demand of the year fell from Rs. 37,41,054 to Rs. 35,84,798. This decrease is mostly apparent, being due to the transfer, as the result of further scrutiny, of additional lands as well as the assessment thereon from "Land Revenue" to "Devaswoms", and to the arrangements sanctioned for the first time during the year, of crediting the revenue from the *thanathuchitta* lands and trees in the possession of the various departments of the State to those departments, instead of to "Land Revenue" as hitherto. It is also due to the circumstance that

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the *tharavila* or ground value of a large extent of reclamations from the Vembanad lake had been brought to account in 1089, while there was no corresponding amount under this item to be included in the demand for 1090. Including the arrear demand of Rs. 98,393, the total demand for 1090 was Rs. 36,83,191, of which a sum of Rs. 35,60,061 was collected and Rs. 14,055 written off, leaving a balance of Rs. 1,09,075 for recovery at the close of the year. The collections under current demand rose from 98 to 99 per cent. The increase in the pending balance was only apparent, as the bulk of it consisted of the *tharavila* charged on puduval lands, which was allowed to be paid in subsequent years. The value of properties brought to sale was only ·1 per cent of the total collections of the year. Early in 1088, Mr. R. Mahadeva Aiyar, Dewan Peishkar, was placed on special duty to revise the forms of revenue accounts, registers and returns in the village, taluk and Division offices, and to compile a Land Revenue Manual. Revised account forms, etc., were prescribed, with the approval of the Government, and their introduction was entrusted to the Division Peishkars. The Land Revenue Manual, which consists of five volumes, has also been finished. The first three volumes which are of immediate use to the department, were printed and issued during the year, while the printing of the two remaining volumes is nearing completion. Government have placed on record their appreciation of the thorough and satisfactory manner in which Mr. Mahadeva Aiyar discharged the important special duty entrusted to him. The variations in the extent of, and the demand on, the Sirkar and Devaswom lands, since the Revenue Settlement, were carefully scrutinised and the *ayacut* demand brought up to the close of 1089. The system of levying court fees on applications for the lease, or the transfer of registry, of Kandukrishi lands, was abolished. The rate of *tharavila* on puduval lands in some of the pakuthies of the Chengannur taluk was further reduced, by way of relief to the ryots. The system of imposing prohibitory assessment on cardamom lands unauthorisedly occupied in the Devicolam Division was done away with. Recently, the *tharavila* on these cardamom lands has been allowed to be paid in six instalments, instead of four as before. The Government trust that these measures, intended to ease the burden of the ryots, will have beneficial effect.

11. **Survey.**—The operations of the Survey Department showed progress, both in miscellaneous cadastral survey and in the re-survey of the Nedumangad taluk. Most of the Tahsildars were trained both in chain and theodolite survey, and arrangements have been made for the training of the remaining Tahsildars. It has been laid down that no Tahsildar will be confirmed in his office, till he acquires an adequate knowledge of survey. The taluk survey schools were abolished and a central survey school was opened at Nedumangad for the training of village subordinates and private candidates, under the supervision of the officer in charge of the Nedumangad re-survey party.

12. **Forests.**—The total area of reserved forests at the end of the year was 2,344 square miles and 181 acres, and the total area of reserved lands, 124 square miles and 241 acres. The progress made in the work of forest settlement was slightly better than in the previous year. It is expected that all the pending cases will be disposed of before the close of 1091. The year was favourable for natural reproduction. An additional area of 307 acres of teak was newly opened, and the existing plantations covering an area of 3,487 acres were maintained. The holding of an annual Forest Conference was sanctioned and the first conference was held in the Conservator's office in 1090, at which several important questions relating to the conservation of forests and the development of forest revenue were discussed. The retail sale of timber to *bona fide* consumers at tariff rates was sanctioned. The procedure to be adopted in regard to the issue of free passes for the removal of timber from registered holdings was simplified, and applications for such passes have been exempted from the payment of court fees. The tariff rates and seigniorage on timber and other forest produce have been revised since the close of the year. The system of working down timber in the Devicolam Division on the *mel-labham* system was abolished, and certain modifications have been made in the grazing rules. Government are aware that, in the forests of the State covering nearly a third of the entire area, they have a valuable asset, whose potentialities are immense. It is satisfactory to find that the gross revenue from the department has been steadily increasing from Rs. 8,68,716 in 1085 to Rs. 13,99,720 in 1090, *i. e.*, by 61·1 per cent. Though the net revenue of

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